

**SURREBUTTAL TESTIMONY AND EXHIBITS OF**  
**MICHAEL L. SEAMAN-HUYNH**  
**ON BEHALF OF**  
**THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF**  
**DOCKET NO. 2018-318-E**  
**IN RE: APPLICATION OF DUKE ENERGY PROGRESS, LLC**  
**FOR ADJUSTMENTS IN ELECTRIC RATE SCHEDULES AND TARIFFS AND**  
**REQUEST FOR AN ACCOUNTING ORDER**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

**A.** My name is Michael Seaman-Huynh. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as a Senior Regulatory Manager in the Utility Rates and Services Division of the Office of Regulatory Staff (“ORS”).

**Q. DID YOU FILE DIRECT TESTIMONY AND EXHIBITS IN THIS PROCEEDING?**

**A.** Yes. I filed direct testimony and five (5) exhibits with the Public Service Commission of South Carolina (“Commission”) on March 4, 2019.

**Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS PROCEEDING?**

**A.** The purpose of my surrebuttal testimony is to respond to certain portions of rebuttal testimony of Duke Energy Progress, LLC (“DEP” or the “Company”) witnesses Steve Wheeler, Julius Wright, and Jon Kerin. My surrebuttal testimony provides an update to ORS’s recommendations regarding revenue requirement distribution, rate design, proposed

Excess Deferred Income Tax Rider (“EDIT Rider”), and impacts to customers’ bills based on the Surrebuttal Testimony and Exhibits of ORS witness Kelvin Major.

**Q. PLEASE DESCRIBE THE COMPANY’S REBUTTAL POSITION ON GRADUALISM IN RATE DESIGN.**

**A.** Company witness Wheeler acknowledges that the Company believes there is merit to incorporating the principle of gradualism in designing its rates and tariffs. He further offers a possible alternative to the Company’s original proposal of increasing the Residential Basic Facility Charge (“BFC”) from \$9.06 per month to \$29.00 per month. He states that “A possible approach to phasing in the correction was offered by the Company in its recent North Carolina rate case where the increase in the Basic Facilities Charge rate was set equal to 50% of the difference between the current rate and the cost basis. Adopting this approach would reduce the proposed Basic Facilities Charge to \$19.03.”<sup>1</sup>

**Q. DOES ORS AGREE WITH THE “ALTERNATIVE” AS ADDRESSED BY COMPANY WITNESS WHEELER?**

**A.** No. Under the “alternative” discussed by Company witness Wheeler, residential customers would still see a 110% increase in their monthly BFC. Although the Company’s newly proposed alternative yields a slightly better result compared to the original proposal in the Company’s Application, this alternative is deaf to the concerns expressed by customers who filed hundreds of letters with the Commission. The Company’s “alternative” does not go far enough to address the rate design concerns voiced by intervenors and customers.

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<sup>1</sup> Company witness Wheeler’s Rebuttal Testimony, p. 10.

1 **Q. PLEASE EXPLAIN THE CORE PRINCIPLES THAT GUIDE UTILITY RATE**  
2 **DESIGN.**

3 **A.** In developing electric rates, both utilities and utility commissions, including this  
4 Commission, have relied upon ten (10) rate design principles from Dr. James C. Bonbright  
5 (“Bonbright Principles”). These principles are:

6 *Revenue-related Attributes:*

- 7 1. Effectiveness in yielding total revenue requirements under the fair-  
8 return standard without any socially undesirable expansion of the rate  
9 base or socially undesirable level of product quality and safety.
- 10 2. Revenue stability and predictability, with a minimum of unexpected  
11 changes seriously adverse to utility companies.
- 12 3. Stability and predictability of the rates themselves, with a minimum of  
13 unexpected changes seriously adverse to ratepayers and with a sense of  
14 historical continuity. (Compare “The best tax is an old tax.”)

15 *Cost-related Attributes:*

- 16 4. Static efficiency of the rate classes and rate blocks in discouraging  
17 wasteful use of service while promoting all justified types and amounts  
18 of use:
  - 19 a. In the control of the total amounts of service supplied by the  
20 company,
  - 21 b. In the control of the relative uses of alternative types of service  
22 by ratepayers (on-peak versus off-peak service or higher quality  
23 versus lower quality service).
- 24 5. Reflection of all of the present and future private and social costs and  
25 benefits occasioned by a service’s provision (i.e., all internalities and  
26 externalities).
- 27 6. Fairness of the specific rates in the apportionment of the total costs of  
28 service among the different ratepayers so as to avoid arbitrariness and  
29 capriciousness and to attain equity in three dimensions: (1) *horizontal*  
30 (i.e., equals treated equally); (2) *vertical* (i.e., unequals treated  
31 unequally); and (3) *anonymous* (i.e., no ratepayer’s demands can be  
32 diverted away uneconomically from an incumbent by a potential  
33 entrant).
- 34 7. Avoidance of undue discrimination in rate relationships so as to be, if  
35 possible, compensatory (i.e., subsidy free with no intercustomer  
36 burdens).

8. Dynamic efficiency in promoting innovation and responding economically to changing demand and supply patterns.

*Practical-related Attributes:*

9. The related, practical attributes of simplicity, certainty, convenience of payment, economy in collection, understandability, public acceptability, and feasibility of application.

10. Freedom from controversies as to proper interpretation.<sup>2</sup>

**Q. DOES THE COMPANY'S ALTERNATIVE RATE DESIGN ACHIEVE THE CORE BONBRIGHT PRINCIPLES?**

**A.** The Company's proposal in the Application and the "alternative" discussed by Company witness Wheeler do address some of the Bonbright Principles; however, it falls far short in attributes 3, 4, 8, and 9. The Company's alternative rate design proposal does not have customer or intervenor support. The lack of public acceptability and drastic change in relation to the Company's historical rates fail to meet attributes #3 and #9 of the Bonbright Principles. The shifting of most costs to the fixed monthly BFC, and away from energy and demand charges, does not promote conservation (Bonbright Principle #4) and fails to promote new innovation and economic changes in demand and supply patterns (Bonbright Principle #8).

**Q. DO YOU HAVE ANY ADDITIONAL REMARKS REGARDING THE COMPANY'S ALTERNATIVE PROPOSAL?**

**A.** Yes. I would point out that the "alternative" discussed by Company witness Wheeler is based on the Company's initial approach in Docket E-2, Sub 1142 in its North Carolina application. In that docket, the Company requested fifty percent (50%) of what

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<sup>2</sup> See James C. Bonbright, Albert L. Danielsen and David R. Kamerschen, "Principles of Public Utility Rates, 2nd Edition", Public Utilities Reports (March, 1988).

1 the Company thought they were entitled to in North Carolina.<sup>3</sup> However, in South  
2 Carolina, the Company requested 100% of the BFC increase in this proceeding. Company  
3 witness Wheeler mischaracterizes the final order from the North Carolina Utility  
4 Commission (“NCUC”) when he states on page 10 of his rebuttal “[w]here the increase in  
5 the Base Facilities Charge rate was set equal to 50% of the difference between the current  
6 rate and cost basis.” The final order from the NCUC approved an increase of the residential  
7 BFC to \$14.00 per month<sup>4</sup> which was not proposed by the Company.

8 **Q. COMPANY WITNESS WHEELER TESTIFIES THAT THE COMPANY’S**  
9 **PROPOSAL REGARDING THE BFCS IS INTENDED TO ELIMINATE CROSS-**  
10 **SUBSIDIZATION BETWEEN CUSTOMERS.<sup>5,6</sup> DO YOU HAVE ANY REMARKS**  
11 **REGARDING THIS?**

12 **A.** Yes. Company witness Wheeler does not discuss how the Company’s proposal will  
13 shift risk away from the Company and on to customers. By raising the fixed monthly BFC,  
14 the Company’s proposal will guarantee a larger stream of revenue from its customers, even  
15 in the mild spring and fall months when customer usage is low. This issue of risk shift is  
16 discussed in the Surrebuttal Testimony of ORS witness Dr. Ruoff.

17 **Q. WHAT IS ORS’S RECOMMENDATION REGARDING THE COMPANY’S**  
18 **RESIDENTIAL, SMALL GENERAL SERVICE (“SGS”), AND SGS CONSTANT**  
19 **LOAD BFCS?**

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<sup>3</sup> Company witness Wheeler’s Direct Testimony in Docket E-2, Sub 1142, p. 15.

<sup>4</sup> <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=d2b2a1a0-dae1-45de-af9c-c987d4aeddc8>

<sup>5</sup> Company witness Wheeler’s Direct Testimony, pp. 8-9.

<sup>6</sup> Company witness Wheeler’s Rebuttal Testimony, p. 3.

1 A. ORS recommends that DEP be allowed to increase the BFCs for the residential,  
2 SGS, and SGS Constant Load customers to recover up to twenty-five percent (25%) of the  
3 approved revenue increase assigned to those classes.

4 Q. PLEASE DISCUSS ORS'S POSITION REGARDING THE RATE DESIGN  
5 PROPOSALS DISCUSSED BY COMPANY WITNESS WHEELER?

6 A. It is premature to make the other rate design changes proposed by Company witness  
7 Wheeler which include:

- 8 • Reducing the differential between the declining block in the winter months for  
9 Schedule RES;
- 10 • Reducing the differential between summer and winter demand rates for Schedule  
11 R-TOUD;
- 12 • Reducing the differential between summer and winter demand rates for Schedule  
13 SGS-TOU;
- 14 • Reducing the differential between on-peak and off-peak energy rates for Schedule  
15 SGS-TOU;
- 16 • Increasing the off-peak excess demand charge from \$2.95/kilowatt ("kW") to  
17 \$3.30/kW rather than the same percentage as other demand charges for Schedule  
18 SGS-TOU;
- 19 • Decreasing the off-peak excess demand charge from \$1.25/kW to \$0.89/kW rather  
20 than the same percentage as other demand charges for Schedule LGS-TOU; and,
- 21 • Increasing the on-peak demand charge by only 50% of the energy rate rather than  
22 the same percentage as the energy rate for Schedule LGS-TOU.

1           Upon completion of the deployment of Advanced Metering Infrastructure (“AMI”),  
2           the Company should incorporate the additional data obtained from AMI into subsequent  
3           requests to change rate designs. ORS recommends the Commission reject the proposals  
4           put forth by Company witness Wheeler in his rebuttal testimony under the heading “Rate  
5           Design Proposals.”<sup>7</sup> If the Company were to begin making changes to its rate designs  
6           regarding relationships between on-peak and off-peak and seasonal energy and demand  
7           charges, customers may respond and change their usage patterns. Then, when the  
8           Company incorporates the information available from AMI and Customer Connect and  
9           offers customers new rate designs in a year or two, customers, who have adapted their  
10          usage, may be confused and frustrated. The rate designs proposed by the Company in this  
11          rate case may only be available for a short-term and provide limited benefit to the customer.

12          The Company’s AMI program and Customer Connect consolidation project will  
13          give both DEP and the customers a higher degree of visibility into customer usage patterns.  
14          Both DEP and the customer should leverage that enhanced data and benefit from the new  
15          technology. If the Company’s proposal is accepted, it may cause customer confusion in  
16          the future and inhibit the customer’s ability to leverage the enhanced data and benefit from  
17          the new technology. Customers may see how they use energy and may be able to change  
18          their usage patterns to better control their bills. DEP will have the opportunity to see how  
19          their customers use energy, and should create and offer new innovative rate designs to  
20          better meet customers’ needs. These new rate designs could include changes to BFCs,  
21          energy and demand charges, seasonal rates and time-of-use rates. Company witness  
22          Wheeler states that: “The Rate Design Team is working closely with the billing and

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<sup>7</sup> Company witness Wheeler’s Rebuttal Testimony, pp 12-15.

metering projects to ensure that they will support the types of rate designs that our customers will need in the future.”<sup>8</sup>

**Q. IS IT ORS’S RECOMMENDATION THAT SOUTH CAROLINA CUSTOMERS SHOULD NOT BE REQUIRED TO PAY FOR COSTS ASSOCIATED WITH COAL ASH REMEDIATION AND DISPOSAL ACTIVITIES AT THE COMPANY’S NORTH CAROLINA COAL PLANTS?**

**A.** No. ORS recommends that South Carolina customers be held harmless for the incremental cost differences attributed to North Carolina state laws. This is discussed in the Direct and Surrebuttal Testimony of ORS witness Wittliff.

**Q. IS IT ORS’S POSITION THAT NO SHARING OF COSTS BETWEEN DEP’S SOUTH CAROLINA AND NORTH CAROLINA CUSTOMERS SHOULD OCCUR?**

**A.** No. Company witness Wright has mischaracterized ORS’s position in this proceeding. Proper cost of service allocations should be used for determining the costs to serve each jurisdiction. His rebuttal testimony provides examples of costs that were attributed to Federal, not state, requirements, and therefore, Company witness Wright’s examples are misleading and should be rejected. Company witness Wright goes on to state that the “Company acknowledges, and I [Company witness Wright] agree, that there are times that direct allocation of costs between jurisdictions is appropriate.”<sup>9</sup>

**Q. HAS THE COMPANY EXCLUDED COSTS FROM THIS PROCEEDING THAT HAVE BEEN INCURRED DUE TO NORTH CAROLINA LAW THAT SHOULD NOT BE ALLOCATED TO SOUTH CAROLINA CUSTOMERS?**

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<sup>8</sup> Company witness Wheeler’s Direct Testimony, p 11.

<sup>9</sup> Company witness Wright’s Rebuttal Testimony, p. 24.



1 A. Yes. The Company is not seeking recovery of certain costs that are associated with  
2 the provision of drinking water to North Carolina residents.<sup>10</sup> In addition, the Company  
3 has excluded the costs to comply with the North Carolina Clean Smokestacks Act, North  
4 Carolina Renewable Portfolio Standards, and the North Carolina Competitive Energy  
5 Solutions for NC (HB.589) laws. ORS's recommendations to limit cost recovery for coal  
6 ash is similar to the Company's initiatives to limit cost recovery attributed to North  
7 Carolina legislation and programs that only benefit North Carolina customers.

8 Q. **IN HIS REBUTTAL TESTIMONY, COMPANY WITNESS KERIN STATES THAT**  
9 **THIS ISSUE HAS BEEN LITIGATED IN DOCKET NO. E-2, SUB 1142 AND**  
10 **RULED ON BY THE NCUC. DOES THE RULING BY THE NCUC PRECLUDE**  
11 **THIS COMMISSION FROM DETERMINING THE REASONABLENESS OF AND**  
12 **RESPONSIBILITY FOR COAL ASH COSTS RECOVERY THAT IMPACTS**  
13 **SOUTH CAROLINA CUSTOMERS?**

14 A. No. The NCUC's determination of prudence, reasonableness, and allocation do  
15 not restrict this Commission from making its own determinations regarding the prudence  
16 and cost recovery responsibility for these costs. A decision in another state jurisdiction is  
17 not binding on South Carolina. In Order No. 81-840, the Commission recognized that, in  
18 matters under its discretion, it is not bound to follow the example of other jurisdictions.<sup>11</sup>  
19 The Commission has long asserted its authority over the South Carolina operations of Duke  
20 Energy, and its predecessors, while recognizing that the NCUC has authority over DEP's  
21 and Duke Energy Carolinas, LLC's ("DEC") North Carolina operations.<sup>12,13</sup>

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<sup>10</sup> Company witness Kerin's Direct Testimony, p. 37.

<sup>11</sup> <https://dms.psc.sc.gov/Attachments/Order/f48ae6bc-b430-1d0f-e6aeed83c8b6b53d>, pp. 7-8.

<sup>12</sup> <https://dms.psc.sc.gov/Attachments/Order/7d88552b-eb08-d759-a7d786eddd18d7f3>, pp. 1-2.

<sup>13</sup> <https://dms.psc.sc.gov/Attachments/Order/182e5fac-a002-61be-66ae5e6f3674f628>, p. 8.

**Q. PLEASE DISCUSS THE REVENUE REQUIREMENT AND HOW IT IS DISTRIBUTED TO EACH CUSTOMER CLASS.**

**A.** Based on ORS's adjustments and a 9.30% return on equity ("ROE"), as recommended by ORS witness Parcell, ORS recommends a reduction to the Company's proposed revenue increase from \$68,668,000 (as filed in Company witness Bateman's Exhibit 1) to \$32,130,000, which equates to an approximate 53% reduction or approximately \$36,538,000, excluding the refund from the EDIT Rider. The revenue increases for ORS's recommendation by customer class and individual rate schedules are reflected in Surrebuttal Exhibit MSH-1. ORS recommends the revenues generated by the billing determinants not exceed the target revenue for each class as proposed in Surrebuttal Exhibit MSH-1.

Surrebuttal Exhibit MSH-1 demonstrates the percent increases proposed by ORS for each customer class. The retail increases by customer class, including ORS's proposed adjustments and the EDIT Rider, are as follows: 5.44% for Residential; 6.37% for SGS; 9.05% for SGS Constant Load; 1.32% for Medium General Service ("MGS"); 3.98% for Large General Service ("LGS"); 0.06% for Seasonal and Intermittent Service ("S&I"); 15.94% for Traffic Signal Service ("TSS"); -1.32% for Outdoor Lighting; and -8.69% for Sports Field Lighting Service ("SFLS"). The overall total retail increase is 3.88%.

**Q. HOW DOES ORS'S DISTRIBUTION OF THE REVENUE REQUIREMENT IMPACT THE RATE OF RETURN BY CUSTOMER CLASS?**

**A.** Surrebuttal Exhibit MSH-2 provides the resulting rate of return by customer class, taking into account ORS's proposed adjustments and excluding the EDIT Rider. In developing Exhibit MSH-2, ORS attempted to limit cross-subsidization by employing a

±10% “band of reasonableness” relative to the overall retail rate of return. ORS was successful in making an incremental movement toward comparable rates of return for all customer classes. The returns by class are as follows: 4.60% for Residential; 4.51% for SGS; 2.87% for SGS Constant Load; 7.89% for MGS; 4.99% for LGS; 9.49% for S&I; -1.37% for TSS; 10.77% for Outdoor Lighting; and 21.24% for SFLS. The overall rate of return for total retail is 5.68%. ORS recommends that any increase by the Commission granted be allocated in a manner such that the returns by class represent an appropriate movement toward comparable returns and bear a reasonable relationship to the Company’s overall rate of return.

**Q. WHAT IS THE IMPACT OF THESE UPDATES ON ORS’S RECOMMENDATIONS REGARDING THE COMPANY’S RESIDENTIAL, SGS, AND SGS CONSTANT LOAD BFCs?**

**A.** Incorporating the updates from ORS witness Smith, and using the methodology detailed in my Direct testimony, ORS recommends the BFC be increased to \$11.78 per month for residential customers, \$12.34 per month for SGS customers, and \$11.31 per month for SGS Constant Load customers as shown on Surrebuttal Exhibit MSH-3.

**Q. HAS ORS UPDATED ITS RECOMMENDATION REGARDING THE COMPANY’S PROPOSED EDIT RIDER?**

**A.** Yes. ORS has updated its calculations of the first-year return of the proposed EDIT Rider based on a 9.30% ROE and 4.16% Cost of Debt, as recommended by ORS witness Parcell in his surrebuttal testimony, to arrive at a total return of EDIT Rider revenue of (\$9,977,484) for the first year. Supplemental Exhibit MSH-4 allocates this total to the various customer classes.

**Q. HAS ORS REVIEWED THE IMPACT OF THE COMPANY’S PROPOSED RATES ON THE TYPICAL RESIDENTIAL CUSTOMER’S MONTHLY BILL?**

**A.** Yes. Surrebuttal Exhibit MSH-5 shows the typical monthly residential bill for a customer on Rate RES with 1,000 kilowatt-hours (“kWh”) consumption for DEP’s currently approved rates and the rates proposed in this proceeding. For information purposes, ORS provided the same information for South Carolina Electric & Gas Company (“SCE&G”), DEC, Lockhart Power Company (“Lockhart”), South Carolina Public Service Authority (“Santee Cooper”), and the most recent U.S. Energy Information Administration (“EIA”) data for the South Atlantic region of the United States.

**Q. AFTER INCORPORATING ORS’S ADJUSTMENTS AND RECOMMENDATIONS INTO THE COMPANY’S APPLICATION, WHAT IS THE NET IMPACT ON THE TYPICAL MONTHLY BILL FOR A TYPICAL RESIDENTIAL CUSTOMER?**

**A.** The monthly bill for the typical residential customer on Rate RES using 1,000 kWh (“Typical Bill”) will increase by approximately \$8.97 from \$122.49 to \$131.46, or 7.3%, exclusive of the EDIT Rider. Including the EDIT Rider, the Typical Bill would decrease by an additional (\$2.26) for a net increase of \$6.71. Inclusive of all changes, the Typical Bill would increase from \$122.49 to approximately \$129.20, or 5.5%.

**Q. WILL YOU UPDATE YOUR SURREBUTTAL TESTIMONY BASED ON INFORMATION THAT BECOMES AVAILABLE?**

**A.** Yes. ORS fully reserves the right to revise its recommendations via supplemental testimony should new information not previously provided by the Company, or other sources, become available.

- 1 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**
- 2 **A.** Yes, it does.

**Duke Energy Progress, LLC**  
**Proposed Revenues**  
Docket No. 2018-318-E

**SURREBUTTAL**  
**EXHIBIT MSH-1**

Rate Class	Present Revenues Annualized	ORS Proposed Revenues Annualized	ORS Proposed Revenue Increase (Decrease)	ORS Percent Increase (Decrease)	ORS EDIT Rider Increase (Decrease)	ORS Proposed Net Revenue Increase/(Decrease) (Total)	ORS Percent Increase (Decrease)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Residential Service</u>	\$ 242,290,950	\$ 260,042,950	\$ 17,752,000	7.33%	\$ (4,570,886)	\$ 13,181,114	5.44%
<u>Small General Service</u>	\$ 33,491,315	\$ 36,360,315	\$ 2,869,000	8.57%	\$ (737,157)	\$ 2,131,843	6.37%
<u>SGS Constant Load</u>	\$ 404,631	\$ 450,631	\$ 46,000	11.37%	\$ (9,372)	\$ 36,628	9.05%
<u>Medium General Service</u>	\$ 145,605,225	\$ 149,856,225	\$ 4,251,000	2.92%	\$ (2,330,595)	\$ 1,920,405	1.32%
<u>Large General Service</u>	\$ 128,375,194	\$ 135,465,194	\$ 7,090,000	5.52%	\$ (1,977,752)	\$ 5,112,249	3.98%
<u>Seasonal and Intermittent Service</u>	\$ 2,137,174	\$ 2,172,174	\$ 35,000	1.64%	\$ (33,763)	\$ 1,237	0.06%
<u>Traffic Signal Service</u>	\$ 76,277	\$ 90,277	\$ 14,000	18.35%	\$ (1,838)	\$ 12,162	15.94%
<u>Outdoor Lighting</u>	\$ 18,222,326	\$ 18,298,326	\$ 76,000	0.42%	\$ (315,724)	\$ (239,724)	-1.32%
<u>Sports Field Lighting Service</u>	\$ 39,099	\$ 36,099	\$ (3,000)	-7.67%	\$ (398)	\$ (3,398)	-8.69%
<u>Total Retail</u>	\$ <u>570,642,191</u>	\$ <u>602,772,191</u>	\$ <u>32,130,000</u>	<u>5.63%</u>	\$ <u>(9,977,484)</u>	\$ <u>22,152,516</u>	<u>3.88%</u>

Duke Energy Progress, LLC  
Rate of Return by Class  
Docket No. 2018-318-E  
(000's Omitted)

SURREBUTTAL  
EXHIBIT MSH-2

	Before Increase				After Proposed Increase			
	Company Pro Forma Ratebase	Company Pro Forma Return	ROR	Relationship to Parity	Company Pro Forma Ratebase	ORS Pro Forma Return	ROR	Relationship to Parity
Residential Service	\$ 700,799	\$ 18,983	2.71%	66%	\$ 700,799	\$ 32,250	4.60%	81%
Small General Service	\$ 111,703	\$ 2,894	2.59%	63%	\$ 111,703	\$ 5,038	4.51%	79%
SGS Constant Load	\$ 1,440	\$ 7	0.48%	12%	\$ 1,440	\$ 41	2.87%	51%
Medium General Service	\$ 340,793	\$ 23,708	6.96%	170%	\$ 340,793	\$ 26,885	7.89%	139%
Large General Service	\$ 297,726	\$ 9,561	3.21%	78%	\$ 297,726	\$ 14,860	4.99%	88%
Seasonal and Intermittent Service	\$ 5,538	\$ 500	9.02%	220%	\$ 5,538	\$ 526	9.49%	167%
Traffic Signal Service	\$ 290	\$ (15)	-5.03%	-123%	\$ 290	\$ (4)	-1.37%	-24%
Outdoor Lighting	\$ 63,296	\$ 6,762	10.68%	260%	\$ 63,296	\$ 6,819	10.77%	190%
Sports Field Lighting Service	\$ 76	\$ 18	24.12%	588%	\$ 76	\$ 16	21.14%	372%
Total Retail	\$ 1,521,662	\$ 62,418	4.10%	100%	\$ 1,521,662	\$ 86,431	5.68%	100%

**Duke Energy Progress, LLC**  
**ORS Residential & SGS BFC Recommendations**  
Docket No. 2018-318-E

**SURREBUTTAL**  
**EXHIBIT MSH-3**

	ORS		ORS		Current BFC	ORS Proposed BFC	ORS Percent Increase
	Proposed Revenue Increase/(Decrease)	Proposed Revenue 25% Increase	BFC Increase				
Residential Service	1,631,352	\$ 17,752,000	\$ 4,438,000	\$2.72	\$9.06	\$11.78	30%
Small General Service	294,660	\$ 2,869,000	\$ 717,250	\$2.43	\$9.91	\$12.34	25%
SGS Constant Load	8,472	\$ 46,000	\$ 11,500	\$1.36	\$9.95	\$11.31	14%



**Duke Energy Progress, LLC**  
**Derivation of EDIT Rider**

Docket No. 2018-318-E

**SURREBUTTAL**  
**EXHIBIT MSH-4**

	<b>Billing</b>	<b>EDIT Rider</b>	<b>EDIT Rider</b>
	<b>Units</b>	<b>Class Total</b>	<b>Class Rate</b>
	<b>(kWh)</b>	<b>(\$)</b>	<b>(\$/kWh)</b>
<b>Residential Service</b>	2,019,756,258	\$ (4,570,886)	-\$0.00226
<b>Small General Service</b>	266,444,889	\$ (737,157)	-\$0.00277
<b>SGS Constant Load</b>	4,147,619	\$ (9,372)	-\$0.00226
<b>Medium General Service</b>	1,630,336,789	\$ (2,330,595)	-\$0.00143
<b>Large General Service</b>	2,207,374,321	\$ (1,977,751)	-\$0.00090
<b>Seasonal and Intermittent Service</b>	16,767,744	\$ (33,763)	-\$0.00201
<b>Traffic Signal Service</b>	857,376	\$ (1,838)	-\$0.00214
<b>Outdoor Lighting</b>	82,932,700	\$ (315,724)	-\$0.00381
<b>Sports Field Lighting Service</b>	142,491	\$ (398)	-\$0.00279
<b>Total Retail</b>	<b>6,228,760,187</b>	<b>\$ (9,977,484)</b>	

**Duke Energy Progress, LLC**  
**Average Monthly Residential Bill for 1,000 kWh Consumption**  
Docket No. 2018-318-E

**SURREBUTTAL**  
**EXHIBIT MSH-5**

	<b>Total Bill Including EDIT Rider</b>	<b>Total Bill Excluding EDIT Rider</b>
<b>DEP (Schedule RES) (Current)</b>	\$ 122.49	
<b>DEP (Schedule RES) (Company Proposed)</b>	\$ 140.39	\$ 142.66
<b>DEP (Schedule RES) (ORS Proposed)</b>	\$ 129.20	\$ 131.46
<b>SCE&amp;G (Rate 8)</b>	\$ 124.91	
<b>DEC (Schedule RS)</b>	\$ 117.74	
<b>Lockhart (Schedule R) <sup>1</sup></b>	\$ 134.45	
<b>Santee Cooper (Schedule RG) <sup>2</sup></b>	\$ 123.87	
<b>South Atlantic 2017 Average (from EIA) <sup>3</sup></b>	\$ 125.15	

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<sup>1</sup> Lockhart Rate does not include monthly changes to Schedule O.

<sup>2</sup> Santee Cooper bill does not include non-public changes to FAC-17, DSC-17, and EDA-17.

<sup>3</sup> [https://www.eia.gov/electricity/sales\\_revenue\\_price/pdf/table5\\_a.pdf](https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf)